

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street

3 Suite 501

4 Richmond, Virginia 23219

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8 **Education Committee Meeting**

9 Wednesday, May 3, 2017

10 11:00 a.m.

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13 Hotel Roanoke and Conference Center

14 Roanoke, Virginia

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- 1 **APPEARANCES:**
- 2 The Honorable Frank M. Ruff, Chairman
- 3 Mr. Donald W. Merrick, Vice Chairman
- 4 Ms. Gayle F. Barts
- 5 The Honorable A. Benton Chafin, Jr.
- 6 Ms. Becky Coleman
- 7 The Honorable Franklin D. Harris
- 8 Mr. A. Dale Moore
- 9 Mr. Cecil E. Shell
- 10 The Honorable Thomas C. Wright, Jr.
- 11 The Honorable Terry G. Kilgore

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1 **APPEARANCES (cont'd):**

2 Mr. Evan Feinman, Executive Director

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4 Mr. Chris E. Piper, Deputy Executive Director

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6 Mr. Timothy S. Pfohl, Grants Program Administration Director

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8 Ms. Sarah K. Capps

9 Grants Program Administrator, Southside Virginia

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11 Ms. Michele Faircloth

12 Grants Assistant, Southside Virginia

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14 Ms. Sara G. Williams

15 Grants Program Administrator, Southwest Virginia

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17 Ms. Jessica Stamper

18 Grants Assistant, Southwest Virginia

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20 Ms. Stacey Richardson, Executive Assistant

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22 **COUNSEL FOR THE COMMISSION:**

23 Ms. Elizabeth Myers, Assistant Attorney General

24 Richmond, Virginia

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1 SENATOR RUFF: Good morning, I appreciate
2 everybody being here. I'll ask Evan to call the roll please.
3 MR. FEINMAN: Ms. Barts?
4 MS. BARTS: Here.
5 MR. FEINMAN: Senator Chafin?
6 SENATOR CHAFIN: Here.
7 MR. FEINMAN: Ms. Coleman?
8 MS. COLEMAN: Here.
9 MR. FEINMAN: Mr. Harris?
10 MR. HARRIS: Here.
11 MR. FEINMAN: Mr. Merrick?
12 MR. MERRICK: Here.
13 MR. FEINMAN: Mr. Moore?
14 MR. MOORE: Here.
15 MR. FEINMAN: Senator Ruff?
16 SENATOR RUFF: Here.
17 MR. FEINMAN: Mr. Shell?
18 MR. SHELL: Here.
19 MR. FEINMAN: Senator Stanley?
20 SENATOR STANLEY: No response.
21 MR. FEINMAN: Delegate Wright?
22 DELEGATE WRIGHT: Here.
23 MR. FEINMAN: You have a quorum Mr. Chairman.
24 SENATOR RUFF: The minutes from January 9,
25 2017 are on the website. I assume everybody went through

1 them and read them.

2 MR. SHELL: I make a motion they be approved.

3 MR. HARRIS: Second.

4 SENATOR RUFF: It's been properly moved and
5 seconded. All in favor say aye. (Aye). All opposed. (No
6 response). The minutes are approved. Tim, are you going to
7 lead us through the competitive grants?

8 MR. PFOHL: Yes. Good morning Mr. Chairman and
9 members of the Committee. The primary purpose today is to
10 talk about the Commission's annual competitive education
11 grants and there's some published guidelines about two pages
12 or so to help the applicants understand what the objectives
13 are and offers advice about how to structure requests.

14 We received 13 proposals in mid-March and the
15 request totaled \$2.6 million and the Committee has a balance
16 of just over \$1.7 million. I would point out there's not a bad
17 proposal in here but until we figure out a way to print our own
18 legal tender, we have to be a little selective to stay within our
19 budget. The staff is recommending 8 projects for funding; one
20 to be tabled and that's described in more detail in the staff
21 report. I won't read it word for word; we'd be here for a day
22 and a half but I'll be happy to proceed as you wish.

23 SENATOR RUFF: Well, I'd say start from the top.

24 MR. PFOHL: The first request is from Bluefield
25 College where a third floor addition to their science building

1 and the one you've seen on a couple of occasions and you're
2 probably somewhat familiar with. Back in the fall your
3 Committee referred this project to the Virginia Resources
4 Authority for consideration of the \$1.1 million loan. That loan
5 review process is still ongoing with the VRA. We had the staff
6 report last week. Since that time, the program that would be
7 the primary occupant of this space, along with some other
8 health science programs at Bluefield has opened up and the
9 enrollment didn't quite get to the figure that they were hoping
10 for. Based on that, with the revised cash flow projection for
11 tuition and fees, Bluefield is back with us requesting a
12 \$300,000 grant in conjunction with a reduced loan request of
13 \$750,000 that would help complete that building.

14 As I said, the VRA loan process is still ongoing and
15 until we have an answer from VRA and on what amount a loan
16 would be justified, the staff recommends we table this request
17 and bring it forward when we know more about the loan
18 situation.

19 SENATOR RUFF: I guess I would turn to Evan and
20 ask what the situation is.

21 MR. FEINMAN: The way the loan process works is
22 that the individual committee makes a recommendation that a
23 project before them will have cash flow adequate to service the
24 debt so rather than give them a grant, give them a loan so that
25 we can get our money back and that goes back to the reform

1 legislation that was passed in 2015 and authorized to set up
2 the revolving loan program. I'd also remind everybody that
3 utilization of the loan program was an important part of the
4 fiscal projections we used to make sure that we're on a
5 sustainable tract for our funding long term. Using the loan
6 fund where we can is something we committed to do in our
7 strategic plan. In this instance, specifically and we had a
8 pretty good meeting over at VRA and went through some of
9 these projects where they were asking questions. Without any
10 of the specifics, I don't know what is proprietary and what is
11 not and numbers that we can't share with the public in a
12 forum like this. Bluefield is doing pretty well and they have a
13 couple of options they can pursue to get their financial plans
14 right with getting this loan and reducing the loan amount
15 request. I'm pretty optimistic they're going to move forward
16 with that money in the relative near future won't be back
17 before the Committee.

18 SENATOR RUFF: Can you define relatively quickly?

19 MR. FEINMAN: That's been a moving target and I'll
20 admit that was a big decision and so far it's been relatively
21 slow and the credit review process over at VRA. Many of our
22 grantees are just not used to providing the kind of
23 documentation that they need to get loans of this type and a
24 credit analysis. I think they said probably in the summer we
25 would know one way or the other; in the summer either get

1 the loan or will determine that they don't have revenue
2 adequate to cover a loan and then we'll have to make a
3 decision.

4 SENATOR CHAFIN: This money would be in
5 addition to the loan?

6 MR. FEINMAN: Yes.

7 SENATOR CHAFIN: Three hundred thousand is in
8 addition to the loan?

9 MR. FEINMAN: They've asked for it because their,
10 also to cover some expenses and we still want you to take as
11 much of a loan as you can and then if there's a gap, we'll fill in
12 the gap. I think it makes more sense to get as much of their
13 project financed as we can and then if there's still a fiscal gap
14 that needs to be covered, we'll fill that gap. Don't overshoot it,
15 we run the risk of overshooting if we do it now.

16 SENATOR CHAFIN: If they approve the loan and we
17 approve the grant.

18 MR. FEINMAN: They might end up with a sweeter
19 deal and we don't know what their total loan amount will be.
20 Let's get that done and then come back if there's a gap rather
21 than fill it perspectivevely.

22 MR. PFOHL: There's also a matter of a pending
23 Appalachian Regional Commission grant request and they
24 haven't heard back on that yet but to potentially fund a
25 significant chunk of this, \$500,000 potentially.

1 SENATOR RUFF: Anyone from Bluefield that feels
2 that they need to speak to this?

3 MR. BAILEY: Thank you Mr. Chairman. I'm David
4 Bailey, I'm former chair of the Board and we appreciate your
5 consideration and we genuinely hope you might consider
6 approving it contingent upon receiving that loan. The timing
7 in getting all of this moving forward is pretty critical. The
8 Conventional Collegiate Nursing Education will be coming for
9 a site review and SACKS has already been there giving their
10 initial approval. The other big hurdle is the Commission on
11 Collegiate Nursing Education. When they come, they will want
12 to know that either construction has started or we can say
13 that all the funds that we need are allocated from the different
14 sources. We do hope that there will be other funds but we
15 would hope that you would consider moving forward instead of
16 tabling the request for \$300,000 and make it completely
17 contingent upon getting the loan. Ruth Blankenship is here,
18 the expert can give you more information. We appreciate the
19 chance to make that appeal to you.

20 SENATOR RUFF: Before you step away, do you
21 know why the projections on the enrollment is not what you
22 all expected?

23 MR. BAILEY: From what I know –

24 SENATOR RUFF: - I see she's coming up with that.

25 MS. BLANKENSHIP: I'm Ruth Blankenship. With

1 any new program you want to be optimistic with enrollment.
2 Because of the time and because the timing and the
3 accreditation of starting the program started in January,
4 typically you want to know the enrollment in August or in the
5 fall and we think maybe that's part of our problem. But I'd
6 like to report that what I received from our Dean of Nursing
7 this week, we have four students that we're going to admit to a
8 special class for a summer start and we have 15 applications
9 already into the fall class so we're seeing a pick up on our
10 projection but we wanted to be conservative as we went
11 forward and not continue to have unrealistic numbers. That's
12 why we're down a little bit in our original projections.

13 SENATOR RUFF: In a future effort, I'd ask you to
14 be conservative with your figures otherwise it gets us all in
15 trouble. When you raise expectation and then come back
16 down, that's not good.

17 SENATOR CHAFIN: I been up there recently to the
18 college and construction is going on right now and the plans
19 are to enlarge the facility and make the program sustainable.
20 I just feel like we ought to support this in a way that will let
21 the program and let them get underway to get their
22 accreditation. If we can get this contingency, the 700 from
23 VRA that loan may be made and then get the grant funds and
24 get that together, I feel that's a reasonable way of taking care
25 of this, those are my thoughts.

1 MR. MERRICK: That is what I was thinking. If they
2 apply for 750 and are approved for 750, would we do 300? If
3 they apply for 750 and get 500, we could do 200. To keep
4 jumping around like playing ping pong and maybe if we could
5 do something and a contingency of the loan, that would serve
6 them and serve us too.

7 MR. FEINMAN: The one thing I would remind the
8 Committee, I think \$1.7 million is our balance. I don't know if
9 that's 1-7 on the nose but, what precisely is our education
10 balance right now?

11 MS. KIM: One million seven hundred thousand
12 three hundred and one dollars (\$1,700,301.00).

13 MR. FENMAN: We didn't overshoot it too much
14 there. If the rest of the staff recommendations were to be
15 approved, I don't want to prejudge you all, you wouldn't quite
16 have 300,000 left in the budget, about \$290,256 which is
17 pretty close but not quite 300. I just want to remind the
18 Committee of the resources in front of you.

19 SENATOR RUFF: Just to clarify one thing, the
20 application for the VRA loan is for how much?

21 MS. BLANKENSHIP: Seven hundred fifty thousand.

22 SENATOR RUFF: Your need is what?

23 MS. BLANKENSHIP: One million fifty thousand.
24 The 300,000 we requested from the Commission and 750 from
25 VRA.

1 MR. FEINMAN: What is the timing on the ARC?

2 MS. BLANKENSHIP: We've had communications
3 with them and this time last year, I really don't know.

4 SENATOR RUFF: Rather than taking any action
5 right now, let's go ahead and hear the rest and see where we
6 are. I'd feel a little uncomfortable spending the money and
7 then telling everybody thanks for coming by.

8 MR. PFOHL: Next up is the Bristol Virginia Public
9 Schools and the request for \$26,000 and that is to commission
10 a feasibility study for the potential creation of a career and
11 technical center. The study would examine appropriate
12 programs, certifications, center locations for the facility and
13 partners for the facility. A lack of details on how this proposed
14 center could impact numbers of individuals for industry
15 recognized credentials as well as some of the potential
16 partners in the project. The staff considers this a lower
17 priority and arguably best supported with local funds.

18 SENATOR RUFF: Is there anyone here who came to
19 speak to that? All right, move on to the next one.

20 MR. PFOHL: Central Virginia Community College
21 Educational Foundation. A request for \$91,582. This would
22 support 50% of equipment costs for a milling machine and
23 other equipment for CVCCs Precision Machining Program. It
24 would accommodate 12 additional students annually which is
25 a very modest number and will increase the baseline

1 enrollment from 107 annually to 140 and a number of
2 completers annually from 36 to 48. This is very well
3 supported by employers in the region and those relatively
4 modest outcomes should be viewed in light of the useful life of
5 the equipment. That's over the multi-year life of the program.
6 Staff recommends approval of \$91,582 for 50% of the
7 equipment costs.

8 SENATOR RUFF: Is this more of the equipment
9 they already have or is it different equipment?

10 MR. PFOHL: Mike do you want to address that?
11 Mr. Bradford from the Foundation is here.

12 MR. BRADFORD: Good morning, I'm Mike
13 Bradford, Vice President of Institutional Advancement at the
14 Central Virginia Community College. Mr. Chairman, to
15 answer your question, this is additional equipment to relieve a
16 bottleneck in our program where we don't have quite enough
17 machines to accommodate the students that come through the
18 program tends to back up students and creates a real log jam
19 in terms of their ability to complete the course and complete
20 the program on time. These are similar to machines we
21 already have and the ones we have are quite a bit older, 10 to
22 15 years older. They certainly serve the same function but
23 much more likely to be similar to what they see in the modern
24 workplace now. Does that answer your question.

25 SENATOR RUFF: It does and the 10-year issue, I

1 tend to believe that a lot of times we like to fit into the schools
2 timeframe when we ought to be, extend the hours and
3 teaching more earlier in the morning or late at night. When
4 we start investing this kind of money in equipment, we need to
5 use it more than 4 or 5 hours a day.

6 MR. BRADFORD: I would agree. We teach that
7 during the day and at night now. We don't at the moment
8 teach on Saturday but that's something we're currently talking
9 about; expanding our curriculum to bring back into the school
10 on a part time basis. The older students who may be working
11 full time now don't see that they have a way to come back to
12 school part time. We're thinking maybe we can capture that
13 25 and up full time employees in order for them to build their
14 skill level and have a better paying job. We're looking at that
15 now.

16 SENATOR RUFF: Thank you.

17 MR. PFOHL: Next up is one we'll have to spend
18 some time on; CODEVA, Incorporated is asking for \$361,625.
19 CODEVA is a Richmond based organization that is seeking
20 funding to hire a resource coordinator to be based in the
21 tobacco region and that includes salary and operating costs
22 and instructor costs and other support. That is for delivering
23 90 to 100 hours of training to tobacco region teachers over a
24 two-year period. The training is in computer science
25 instruction and it will be required under an SOL that's being

1 developed now by the State Department of Education.
2 Standards for the training at CODEVA has been offering since
3 2014, training in computer science and training 1,500
4 teachers statewide in that timeframe is based on national
5 standards from the Computer Science Teachers Association
6 and using a curriculum in free open source software. It's also
7 supported by a national code organization. The General
8 Assembly has provided \$1.1 million in an appropriation to
9 provide training in 2017 and 18. The cohorts in that first year
10 are the target for some of the funds to cover for teachers in
11 that training in the tobacco region. Then the expectation is
12 that by year number two, the teachers that have been
13 educated will then be able to train the trainer themselves and
14 offer cohorts in the tobacco region. The resource coordinator
15 will be based in our region and work with school districts to
16 recruit teachers for those training programs.

17 Some of the requested use of funds, the staff feels
18 this request will provide incentives and logistical support to
19 school districts an opportunity to accelerate the pace of
20 teacher preparation to educate students in computer sciences
21 and comply with the proposed SOLs, thereby supporting
22 thousands of students and the emerging IT computer science
23 cyber security employer base in the region's datacenters in a
24 wide array of companies and institutions that rely on
25 computer programming. The staff feels that in order to take

1 better advantage of tobacco region based institutions with
2 overlapping computer science objectives and longstanding
3 relationships with local school districts, we would suggest that
4 CODEVA could be more effectively and efficiently accomplish
5 this objective under a collaborative model with partners that
6 could include the two public universities based in region;
7 Longwood and UVA – Wise as well as the two higher education
8 centers, the Institute for Advanced Learning and Research in
9 Danville and the New College Institute in Martinsville and
10 potentially others that could provide in region training space,
11 staff support and resources for outreach and logistics. Given
12 the urgency to assist tobacco region teachers in assessing the
13 2017-18 training cohorts, the staff suggests that the executive
14 director be authorized to approve an amended budget that
15 meets matching fund requirements which currently this
16 proposed project does not yet meet, the national fund
17 requirement and accomplishes efficiencies through
18 partnerships with tobacco region based partners.

19 The recommendation is an approval of an award not
20 to exceed \$361,625 contingent on the Commission authorizing
21 the executive director to negotiate a revised budget and project
22 implementation plan that includes required matching funds
23 and collaboration with partners at tobacco region higher
24 education institutions. That was a mouth full.

25 SENATOR RUFF: Is there someone here that wishes

1 to speak to this?

2 MR. DOVI: I'm Chris Dovi. I'm the CODEVA
3 Executive Director. I'm here to answer any questions you
4 might have about our proposal. This is some of the most
5 important and this is the first core subject that we've added to
6 education in a 100 plus years. As you hear, the secretary of
7 education describes these, that involves English, math,
8 science and computer science. This is the literacy SOLs under
9 development. CODEVA acting as an advisor in this
10 development as well.

11 If someone is confused about the curriculum, the
12 Department of Education is talking about potentially going
13 back to the other standards; math, science, English where
14 there's crossover and reopening those standards before the
15 5-year window or 7-year window typical of the SOLs for each
16 of those subject areas and revising them again to make sure
17 that they align with the VCS standards.

18 SENATOR RUFF: You put your request in and you
19 heard what Tim said.

20 MR. DOVI: Yes, sir.

21 SENATOR RUFF: What is your position?

22 MR. DOVI: So we already have working for about 3
23 ½ years planning for how do we do this statewide. The key
24 difference I guess between what teacher professional
25 development looks like and what's necessary for something

1 like this. This is really something that in about 7 or 8 years
2 that our higher education institutions will do as part of
3 preservice training for teachers. A teacher that's going to be
4 an elementary teacher during their college years would learn
5 how to teach computer science and how to work with the SOLs
6 and within them to provide instruction. Right now, we have a
7 teacher workforce that does not have this. High school
8 teachers who come through college and choose to get their CS
9 endorsement and right now there is not a college or university
10 in the state that provides a pathway to the computer science
11 endorsement for teachers. That will come in probably about
12 three or four years and it could be sooner but still you have
13 four years before you would have teachers with that
14 endorsement. Certainly, a long time considering the workforce
15 that we need.

16 What CODEVA is doing is essentially preservice
17 training. It looks more like a practicum and teachers are
18 supportive for and in some cases as long as two years
19 preparing to teach this course.

20 In working with the General Assembly and the
21 Department of Education in the Secretary of Education's
22 office, we have put together a plan and this is the Northern
23 Virginia Community College piece. NOVA is not where this is
24 emanating from but they happen to have resources and they
25 have support an infrastructure like CODEVA. We're meeting

1 next week about how that relationship is going to look in the
2 future next year. What they will be doing is supporting this
3 initiative statewide and I guess they're going to absorb some of
4 the costs. It is a statewide initiative and we're trying to make
5 sure that's done and part of the reason for using the
6 community college system is what you guys are envisioning
7 with this. To work with our local colleges and universities,
8 community colleges and other resources in the region and all
9 of the 8 superintendent regions and that's to establish hubs
10 where again these resources in the future would be located.
11 I'd like to say CODEVA is more of a verb than it is an outside
12 organization. It's an organization of need I guess and we're
13 looking very quickly to put you in business and us out of
14 business.

15 SENATOR RUFF: The recommendation is for the
16 executive director to negotiate a revised budget and provide an
17 implementation plan. Have they talked to you about that?

18 MR. DOVI: We've had a brief conversation this
19 morning when I got here. I don't know exactly yet, however, or
20 what they might do yet, however, I'm sure we can work with
21 them and try to improve this with Norfolk and Hampton
22 Roads, subdivision two I think. Division 2 is very likely, the
23 hub would be located in Norfolk because that district already
24 has a lot of resources in place and they've done a lot of
25 training with us and they have support in place for the rest of

1 their region and are willing to take that on. One of the two
2 superintendent regions out in this area and of course we
3 expect there would be differences in how implementation
4 would be accomplished but yes, we certainly can negotiate
5 around what the tobacco region might want.

6 MR. FEINMAN: In essence what we're looking for,
7 we do need to get to the dollar for dollar match within the
8 statute then develop the partnerships which we talked about
9 with partner institutions in the region and the community
10 colleges, the Institute for Advance Learning and Research. I
11 think those would be in your plan and you concede that would
12 be highly beneficial to the effort and we don't want a
13 duplication of effort. As long as you're open to that, those two
14 requirements are really what we want to see.

15 MR. DOVI: Very good.

16 SENATOR RUFF: Any questions?

17 MS. COLEMAN: When you talk the matching
18 dollars from the Commission, would that reduce the amount
19 you'd ask the Commission for today?

20 MR. DOVI: It would not. We envision, some of
21 them or the best way to put it is, in the last three years, in the
22 last year of training of those 1,500 teachers, only about 1.5%
23 of them are from the tobacco region. There's a very high
24 interest in this and as I said, teachers requesting training.
25 What we cannot currently provide is travel and we also know

1 there is greater onus on teachers from this area coming to the
2 first-year Central Virginia to train. We feel stipends are an
3 important part. It has helped in the rest of the state already
4 where we've had funds for the last three years to provide those
5 stipends to teachers. For the rest of the state, that goes away
6 and they will not have stipends available anymore. We feel out
7 here this is in the beginning stages of widespread training out
8 here and we feel that the teachers certainly need that
9 incentive.

10 SENATOR RUFF: Does that complete your
11 question?

12 MS. COLEMAN: Yes.

13 MR. FEINMAN: The specific grants we talked about,
14 as far as opportunity and we talk about diversifying the
15 economy and you need an opportunity to lay a foundation to
16 grow a new economy in the region and I'm pretty strongly
17 convinced that this is the sort of thing we need to do to grow a
18 pipeline of people who are trained to do that and in particular,
19 one of the later grant requests we're going to talk about. An
20 issue we ran into with our center of excellence for
21 manufacturing training is that we wanted to do advanced
22 manufacturing training and they didn't have a pipeline of kids
23 that had basics standards. This will get us into situations
24 where the kids coming out of our K12 schools will have the
25 basics of computer science and will actually be ahead of the

1 rest of the state in that implementation and that's not
2 something we excel in. I think this is very forward thinking
3 investment for the Commission to make.

4 MR. DOVI: Just to generalize, the skills, like any
5 literacy, we can import these skills to many different jobs and
6 some of the jobs are mill skill jobs, some in advanced
7 manufacturing and some are very high paying jobs. The
8 average pay for a computer scientist or anything in the
9 computer science field in Virginia is \$114,000 a year. Those
10 jobs do not require that you relocate necessarily. Many people
11 work remotely now in these positions; whether its DC or
12 Hampton Roads or in Central Virginia, I know many people
13 that do this.

14 SENATOR RUFF: Any other questions?

15 DELEGATE WRIGHT: You mentioned the
16 community college starting off, how does that work as far as
17 these children coming out of high schools? Do they go
18 straight to the community college?

19 MR. DOVI: That's an interesting question; there's
20 two answers to that question. Yes, a lot of the computer
21 science students and wanting to learn involves problem
22 solving skills and it is computational thinking and in fact, the
23 way the legislation read that in 2016 that mandate is in the
24 SOLs. It's computer science and computational thinking to
25 include coding. So, wanting to stress and covering the name

1 of my company up, organization up, it's not about coding, it's
2 about computational thinking skills and it is outwardly
3 thinking and the ability to problem solve. Teaching outward
4 thinking in writing class benefits the kind of writing that I get
5 back from students. They do these exercises during our first
6 week at VCU, what happens is that after class they come to
7 me and say professor, I need to drop out and I say no you
8 don't must learn how to do this. You've been writing and you
9 have to write to communicate. Community of writing is a lot
10 of that businesses need and companies need.

11 Again, there is that piece of it and then the other
12 piece and you're asking if kids are going to be more prepared
13 to go to community colleges and the answer is yes, in many
14 ways. What we're hearing from industry that in college or a
15 four-year institution is not necessarily preparing students for
16 working in these fields. And there are some degree fields that
17 are not necessarily aligned with what industry needs. The
18 two-year institutions are trying to make up for that and at the
19 same time they're under the added stress of trying to make up
20 for the last two years of high school at the same time with dual
21 enrollment. Starting to align our last two years of high school
22 and provide more of this sort of education that is and it's
23 reinforcing on some of the things you're doing in the math,
24 science and English courses is going to be important and some
25 of what's happening like education innovation.

1 SENATOR RUFF: Thank you. Any other questions?
2 Thank you.

3 MR. PFOHL: Next up is the Danville Community
4 College Educational Foundation. A request for \$131,471.73
5 for the advanced skills IT Academy. This would support
6 development of the third-year advanced career study
7 certificate in information technology. Education outcomes
8 includes an estimated 10 graduates annually by 2019 in each
9 of the three new advanced areas. That would involve data
10 analysis, cloud development and cyber security. The majority
11 of the funds are requested for contractual services and
12 curriculum consultants with smaller amounts requested for
13 equipment and release time for DCC faculty members. There's
14 matching funds from the local government, City of Danville
15 and Pittsylvania County as well as DCC. While outcomes are
16 relatively modest but the high paying and employment
17 opportunities are well documented in this proposal and
18 expands the growing capacity in the tobacco region to provide
19 well trained candidates for the regions IT employees.

20 There's a little recalculation we did on the
21 recommended amount. They had a quote from Dell that they
22 built in an \$8,000 contingency into Dell to confirm that they
23 will stick with the original quote so that \$8,000 contingency is
24 not needed in the budget anymore. That would have been
25 split evenly between matching funds and us and taking

1 \$4,000 off their request so our recommended number is
2 \$127,425.

3 SENATOR RUFF: Anyone here wish to speak to
4 this? Don't feel obligated.

5 MR. _____: Good morning, I'm George
6 _____. Generally, what we're doing is that a new
7 pathway that's coming directly out of industry with one of our
8 noted partners and we're trying to identify skill gaps with both
9 associate and bachelor's degrees. The goal of the project is to
10 work with industry consultants built in and we want to
11 develop a pathway for that skill gap. There is also a very high
12 consistent belief within both of our two primary partners;
13 Danville City and Pittsylvania County this can help draw new
14 industries to the region and that's within the scope of what
15 we're requesting. The focus on this is integrated technology
16 and systems that don't go down often times with IT, it can
17 become compartmentalized. This is very much creating an
18 environment to get an option of one or multiple CSCs for
19 advanced training for when they complete the academy. We
20 need a server and the one that the campus currently has and
21 then the curriculum development over the next year.

22 SENATOR RUFF: Any questions? Thank you.

23 MR. PFOHL: Next up is Greensville County. A
24 request for \$191,550. The county proposes to hire a workforce
25 and business services coordinator to recruit students and

1 programs offered at the Southern Virginia Educational Center
2 in Greenville which is a facility that was opened up with a
3 significant contribution from the Commission. The majority of
4 the grant funds is requested for 50% of personnel costs and
5 related operating support costs over three years. Additional
6 funds are requested to support 50% of the costs for National
7 Career Readiness Certification testing and development of job
8 profile. Staff notes that the request is for staffing of a county
9 position serving a single locality for activities that appear to
10 have functions similar to the community college workforce
11 services and career coaching staff. You'll hear more about
12 that in the Southside Community College request for National
13 Career Readiness Certification and notes concerns that
14 funding similar positions in other localities could result in
15 multiple future grant requests for local government positions.
16 It's a good concept. We think it's best handled by the
17 localities. We're recommending no award.

18 SENATOR RUFF: Anyone from Greenville that
19 would like to speak to this? All right, move on.

20 MR. PFOHL: The next request is from the Institute
21 for Advanced Learning and Research for a Certified Work
22 Ready Community Expansion Initiative request for
23 \$251,641.25. The Certified Work Ready Community
24 Expansion Initiative is currently focused in Southern Virginia.
25 This is a product of the Dan River regional collaborative to

1 align workforce and education to meet the economic needs of
2 the region using the National Career Certified Work Ready
3 Community Program. This has been funded so far by a
4 \$142,000 grant made by the Commission a few years ago and
5 one is winding down. Currently there are three counties;
6 Henry, Pittsylvania and Halifax that have achieved Certified
7 Work Ready certification. We expect announcement of that
8 achievement and certification from Martinsville, Danville and
9 Patrick in the coming months. This funding request would
10 expand the Southern Virginia work ready community footprint
11 to add at least five more localities from the Gold Virginia
12 Region 3 which is Mecklenburg, Charlotte, Cumberland,
13 Buckingham and others as well as supporting Greenville and
14 Emporia area which is part of Gold Virginia Region 4.

15 The proposal has strong outcome numbers with a
16 target of 3,600 National Career Readiness Certificates, at least
17 6 new companies requiring NCRC and increasing to 10
18 localities with CWRC status. Success of the initial pilot is
19 commendable and staff recognizes the opportunity for an
20 expanded CWRC area to be an economic development driver
21 for attracting companies to the region.

22 Staff recommends an award of \$251,641.25.

23 SENATOR RUFF: You've heard the
24 recommendation, anybody wish to speak to this?

25 UNIDENTIFIED: I'm here to respond to questions.

1 SENATOR RUFF: Well, I don't hear any so we'll
2 keep going.

3 MR. PFOHL: Next up is Mountain Empire
4 Community College, Supply Chain Development Project
5 requesting 400,000. The request is for proprietary training
6 designed to assist Southwest Virginia manufacturers
7 qualifying for ISO 9001/AS9100 Certification necessary to
8 attract U.S. Government contracts for aircraft landing gear.
9 The proposed training provider is LSI, a privately-owned Utah
10 based company and they'll work with Mountain Empire
11 Community College to develop and deliver three training
12 modules for beginning, intermediate, and advanced and
13 associated program management costs. The project would
14 serve manufacturers across the region including 15 counties;
15 however, does not yet seem to be participation from the other
16 community colleges that serve those localities. It appears that
17 the entire 400,000 requested amount will be passed through
18 to the private training provider for development and delivery
19 for the proprietary training. LSI will then allow Mountain
20 Empire Community College to use the beginning and
21 intermediate modules for an additional three years. The
22 Workforce Investment Board will supply additional scholarship
23 money that's a thousand dollars per student. Participants in
24 this training would receive an LSI provided certificate of
25 completion which does not appear to be a nationally

1 recognized workforce credential which is required by this
2 program. There's no evidence or assurance that
3 manufacturers who provide participants for this training will
4 receive the ISO 9001 or the AS9100 Certification or that they
5 will receive contracts to supply aircraft landing gear
6 components and that is the long-term objective of this. This
7 training does not result in a nationally recognized workforce
8 credential for participants. It's not a proper fit for the
9 objectives of this program. It potentially could be a better
10 project for consideration in the Southwest Economic
11 Development cycle but that would have to be weighed against
12 other Virginia made ISO trainers like Genedge and Virginia
13 Tech. The staff is recommending no award.

14 SENATOR RUFF: Does anyone wish to speak?

15 MS. RATLIFF: Good morning Mr. Chairman. I'm
16 Vickie Ratliff and I serve as, Mr. Johnson and I work with the
17 company LSI and I've done it for the past 40 years and I've
18 managed many different contracts as well as contractors with
19 the United States Government; working with the Air Force over
20 the past 18 years. Just to give you a little background, I have
21 to say I'm a novice in this round. As far as the grant and to be
22 in all honesty, I have left out a few things. I know that's
23 something we need to address. One of them is that the energy
24 certification did not include the individuals that will be going
25 through the program and they will be trained. The whole

1 purpose of this project is the missing element of the workforce
2 development team and that is the job creation. We've had a lot
3 of companies and we have a lot of and we were approached by
4 this company to meet a need that they had in Virginia for
5 manufacturers of the landing gear parts. It involved the
6 partners and the resources in Southwest Virginia and
7 advanced manufacturing which could involve the - and I failed
8 to mention this in the grant. I'd like for Mr. Johnson to
9 explain the entire purpose of the training and how it could
10 lead to our company changing the culture of the region.

11 MR. JOHNSON: Just as an aside, over the past 40
12 plus years we've been doing this type of work nationally.
13 Located outside of Hill Air Force Base where the original
14 landing gear was being done. With the Air Force, we were one
15 of the first developers, private developers for them when they
16 got out of that business. Since that time in Utah, we have
17 created a \$4 million cluster and we've done that in different
18 manufacturing areas. In the Detroit area and Michigan \$2
19 billion and in rural Oklahoma \$3 billion clusters. So, we have
20 experience and we have our model and I'd be happy to go
21 through that in detail. Imagine if Toyota came across the
22 border and said we want to work with one of your community
23 colleges because we have a supply chain we ought to use and
24 we want to team up with companies in Southwest Virginia,
25 underemployed and unemployed machinist and welders and

1 we want to team up with the community colleges in order to
2 train these guys and give them our schematics and train them
3 in our schematics and train them in how you go about doing
4 this with the end result is that we want to have a supply chain
5 for different manufacturers in your region. We'd be jumping
6 for joy.

7 What we're offering is that we are contracted by the
8 United States Air Force, a billion plus dollar contract which we
9 do 40 percent of the landing gear for the Air Force. We're
10 coming to Southwest Virginia because we see there are a large
11 amount of folks who are underemployed and unemployed.
12 Unemployed is competitive in the nature of the kind of work
13 that is needed in the welding machinist area. We think we can
14 build a cluster around this. Recently, within the past three
15 months, in addition to the billion dollar contract that we're
16 working currently and contractors are doing. We just assisted
17 a company with a billion dollar contract for landing gear,
18 involving several different aircraft, 2032. So, we're talking two
19 billion plus potential cluster in the area with capabilities that
20 can immediately be put to work. In the end, these folks are
21 going to go through training and be trained on the schematic,
22 they're going to have all the schematics, all the planning gear
23 and they're going to know on a daily basis what the Air Force
24 is buying, what is the pricing for those components and how
25 do you go about becoming compliant. In many cases, many of

1 the folks right now are one and two person shops and they're
2 not 50 to 100 people that are dealing in these advanced
3 manufacturing buildings. There are people that can do this
4 and they're around us and they can do the work.

5 We chose Virginia because there is not one company
6 currently in our supply chain management for Virginia even
7 though we see a huge capacity and capability. We were
8 directed to come look at this area because of that and we've
9 chosen to work in this area because we know the area is very
10 competitive in competing for this. The contractor, 40 percent
11 of the aircraft landing gear for the United States Air Force.
12 You're dealing with a person that is dealing with the Air Force
13 on a daily basis when several of these orders are going out and
14 people are competing for it. The first one that a company can
15 put on their wall and say we're now working on behalf of the
16 United States Government is the best certification I can think
17 of and it indicates they're compliant in working for the United
18 States Government.

19 We're talking landing gear and if you start looking
20 at the, we think there's a lot of capability in this area, you can
21 create a cluster that will compete with any region in the
22 country I believe and the United States Air Force as well as the
23 other services.

24 SENATOR RUFF: Any questions? Bruce, we have a
25 center of excellence in Southwest Virginia. Tell us how this

1 relates to that?

2 MR. SOBCZAK: Not knowing anything about the
3 training aspect of this, it sounds very significant and this
4 sounds very significant but the highest, it sounds like quality
5 certification. I don't know anything about this particular
6 project but I do know that a lot of the companies across the
7 tobacco region need to get these certifications and get involved
8 in the supply chain. This sounds like it's very specific training
9 and if there's employment being offered, it sounds like a
10 promising project.

11 MS. RATLIFF: In our initial meetings with the
12 manufacturers that we met with, where those that we knew
13 were directly impacted. There were 15 companies that came
14 to the table and all 15 had people that were sitting idle or not
15 working. This can teach people something great. We're
16 talking about expanding the business. It, maybe it's not the
17 traditional certification we're talking about but there is a
18 certification that is required in order to compete in this
19 market. If you want to build a cluster, somebody's going to
20 have to do it. We're just taking the approach first but there's a
21 lot of people that are going to have to be involved and I think
22 they will once they understand what the potential is.

23 MR. JOHNSON: The company I work for, we are the
24 ones that are issuing the compliance to the folks that are
25 participating in the program. A person has to have a comfort

1 level that is not dealing with a defense logistics agency as
2 opposed to a person working for the U.S. Government sitting
3 in an office. You need to do this, this and this. You're dealing
4 with a team that is managing this endeavor and thoroughly in
5 compliance. There's a difference between I'm producing a
6 product and I am compliant and there's a certification on 9001
7 and there are other things that are tied into that. There's
8 different things that are tied into that. But from our
9 perspective, it's a little easier to deal with the people managing
10 the program and who are willing to sit out there and train
11 these local folks and this is how you have to do this and in
12 order to be compliant, you need to always be following the
13 reputation. As I said, people are doing this, one and two
14 person shops across the county right now.

15 DELEGATE KILGORE: What is it to get this
16 training for the 9100 or, do you really think the jobs will
17 follow?

18 MR. JOHNSON: Right now on a daily basis under
19 this program, we have say today \$100,000 is going out from
20 the United States Air Force for landing gear and we have that
21 pipeline so when we're talking about jobs, not only a pipeline
22 for potential jobs and we have a pipeline in this case, \$2
23 billion over a certain amount of time in which anybody
24 working this and we can deliver that on a daily or weekly
25 basis. When a call comes out for this landing gear, those

1 interested in that won't have any problem. In this area and
2 region, there's no question the competitive nature and the
3 workforce available. We wouldn't be coming here if the
4 workforce wasn't capable of doing this or if the workforce
5 wasn't capable of doing it or they were pricing themselves out.
6 It's up to the United States Air Force to have folks that are
7 going to be pricing their wares when they're pricing their
8 components over others. You'll see this is going to be very
9 competitive and the guarantee is that they're going to be
10 guaranteed an actual pipeline of work. If they meet the
11 compliance requirement which is what will be done in the
12 training, they will have everything at their fingertips to do the
13 work and they will have each of those bids at their place of
14 business to decide whether they'll go after that work or not.
15 This is actual work, we're not talking about new landing gear
16 coming out. As the President just mentioned, half of the
17 aircrafts, they don't have the parts. You can not only take this
18 landing gear, if you take the landing gear cluster for the
19 United States Air Force in this region and the skillsets and the
20 retooling and all these workers like welders have to have the
21 capability and the credentials to do this work but it's going to
22 be very competitive in the area.

23 MS. COLEMAN: So the Commission is going to be
24 asked for \$400,000 and it's going to be used to develop the
25 training? When you talk about intermediate and beginning

1 modules and those would be available at the community
2 college for an additional three years and the advanced one
3 year?

4 MR. JOHNSON: From our perspective, once we get
5 through the training, we can be as much of a partner as the
6 area would like. Our success is to help companies grow and
7 further develop the relationships that we have and so if the
8 proprietary training needs to be turned over to the college, if
9 they can do that, we're fine with training the trainers in order
10 that they can continue on with the feedback from us. From
11 our perspective, we want to be providing the best product that
12 we can provide and the best for the United States Government.
13 We're doing this training because this is getting out to the
14 whole region. For us to be here on an annual basis, we can.
15 We have the skillset and knowledge base to do that for people
16 who have actually done landing gear. For us to be the
17 trainers, we're not a training business, that's not our area.
18 Our area is to develop the pipeline and develop clusters
19 around that pipeline so it may grow. We're fine with providing
20 all the training materials and being brought in because it only
21 helps us and the end customer and in this case the United
22 States Air Force so they'll have a better product.

23 MS. COLEMAN: So no additional cost to the
24 community college?

25 MS. BLANKENSHIP: Our intention is to participate

1 in the initial training then once they're completely trained,
2 they'll be able to train others. We've got to get started
3 somewhere.

4 DELEGATE WRIGHT: Mr. Chairman, I notice the
5 staff gave no recommendation or recommended no award and
6 that drew my attention to the reason that they did what they
7 did. One of the reasons just pointed out and there's several
8 others that no answer was given for, the project would serve
9 manufacturers across the region and there did not seem to be
10 participation from the community colleges across the region
11 and that serve these localities and that's one concern and
12 that's in the staff report. There does not appear that
13 Mountain Empire Community College would have access to
14 the advanced training beyond one year's time or grant, which
15 is the comment that was just made. The entire amount of
16 money would just pass through to the LSI.

17 If you go down further in the staff report, the last
18 several sentences; it says the participants in this training will
19 receive a LSI provided certificate of completion which does not
20 appear to be a nationally recognized workforce credential
21 which is required by this program. Then it goes on to say
22 there is no evidence or assurance that manufacturers who
23 provide participants for this training will receive the ISO 9001
24 and the AS9100 certification or that contracts to supply
25 aircraft landing gear components will be forthcoming. I just

1 want to point out the staff recommendations to the Committee
2 and the staff again recommended no award. I think this might
3 be a wonderful idea but it does peak your interest when the
4 staff doesn't recommend it.

5 MR. MERRICK: I just want to be clear, your
6 company manages the contract and produces no landing gear,
7 just manages the contract?

8 MR. JOHNSON: Yes, the benefits or the pros and
9 cons. We are a private contractor. We are selected to have
10 mid and small firms do the work. The company wouldn't go
11 directly to the Air Force, they will come to us and we, we
12 classify the companies mid and small size companies to work
13 under the contract so we're not competing with anybody.
14 We're neutral on whose doing it and we want to have a capable
15 workforce immediately. This billion dollar contract and their
16 rounding up landing gear and we see that the more people
17 that can get engaged right now and there's tremendous growth
18 in the landing gear area, excluding all others whose products
19 are needed by the Air Force. We have no way, we can't
20 manufacturer anything; we'd have to have these small
21 companies.

22 MR. MERRICK: Then what happens is these
23 companies, wherever they are, would have people sitting idle,
24 trainers will train them. They still will have to bid on the
25 work in order to get the work?

1 MR. JOHNSON: Yes, it's still a competitive program
2 but the difference on this is that we control the actual training
3 and providing all the information that normally someone
4 would not have. If you come in and say gee, I can make bolts
5 and there was a call last year from the United States Air Force
6 for 24,000 at this unit price. If you think you're competitive,
7 you can go after that. We're dealing in communities which do
8 not have the standard and cost of living or the capabilities. Or
9 the abilities you have in this region. We saw nobody in
10 Virginia and saw this tremendous need in the state to do this
11 and that's all why we're before you. We want to do what the
12 Air Force needs. We couldn't do all this without having you
13 folks involved.

14 DELEGATE KILGORE: Tim, you've heard some of
15 the comments. Does some of that answer some of the staff
16 concerns?

17 MR. PHOFL: I think we're going to stick with the
18 position we've taken.

19 DELEGATE KILGORE: Even though it could create
20 jobs? I noticed that some of the, others that have a hope of
21 creating jobs and hope of creating some certificate and I was
22 just wondering.

23 MR. PHOFL: Let me get to the bottomline here. The
24 company gets their money to train people, we get no assurance
25 that that is going to result in any jobs. If it was a pay for

1 performance type of thing where the company got paid based
2 on the number of contracts secured in Southwest Virginia, it
3 might be a different model to take a look at. It certainly would
4 seem desirable to put Southwest Virginia manufacturers in the
5 competition with other U.S. based manufacturers but where is
6 the assurance that we're going to get a piece of the action.
7 You've got to be trained to play but –

8 MR. JOHNSON: I think one of the assurances is,
9 and there's a \$2 billion pipeline. We're not saying we're going
10 to train and pray. We already know what's out there. What
11 we have figured out working with a lot of these companies,
12 there are so many people out there who are training and
13 hoping that there is capacity there and we made an error as a
14 company because we brought in a large company and they
15 had a need for a trained workforce, 1,500 jobs. They came
16 into an area, a beautiful area, they bought homes and eating
17 at restaurants. That 1,500 jobs came from out of the area.
18 The last thing we want to do when we go into an area, from
19 our reputation of 40 plus years of work doing this type of thing
20 is to go in and fail and we see this is a case here where we can
21 deliver and the work is there right now. The manufacturers
22 tomorrow could look at the schematics and say this is a
23 beginner and could say I could do that. That's all we want to
24 be able to do. There's nothing that we will not provide to the
25 manufacturers from day one. They're saying we think we can

1 do that. Is this something we can do right now, yes? This
2 money is in the pipeline and we can do this landing gear. In
3 the end, how many folks want to go after this and considering
4 the underemployment in the region, and in the past, this
5 actually can align where the people get trained and the jobs
6 are already there. It's not training them to say five years from
7 now we think you're going to be busy and useful and they're
8 going to grow. It's training and work is there available right
9 now. The training is to help do that and what the Air Force is
10 requesting and have hands on with an actual piece that
11 they're purchasing. That's the purpose of the training.

12 DELEGATE WRIGHT: If this project were approved
13 over the staff recommendation –

14 MR. FEINMAN: That's an excellent question
15 Delegate Wright, the question is where does the money come
16 from? Currently if the other staff recommendations were
17 approved, there's an available balance of \$286,553.31. If the
18 Committee wanted to re-prioritize some of the other grants.
19 Say you didn't want to go with that funding recommendation,
20 you freed up some money and you don't have it in the budget
21 right now to fully fund this proposal.

22 The other thing I would say is that, I heard from the
23 outset ma'am you weren't a grant writer and you did the best
24 you could. It's tough for staff to hear new material at the
25 moment when we get to the Committee hearing. It's very, very

1 difficult to try to re-evaluate the entire set of proposals before
2 us. This may be a situation where even if it turned out it was
3 a very meritorious proposal and having not received all the
4 information we needed upfront or on the frontend, probably we
5 just can't quite get there would be my guess in terms of
6 reallocating the entire budget. Certainly, it's your money on
7 the Committee. Do you want to say no to some other stuff
8 that might free up some money, that's up to you, that's your
9 prerogative?

10 SENATOR RUFF: Thank you. We've discussed this
11 enough, let's go ahead with the rest of the proposals.

12 MR. PHOFL: Next is the Russell County Public
13 Schools Southwest Regional Adult Education is the applicant
14 on behalf of the Southwest Virginia Race to GED Program
15 requesting \$225,000. The three Regional Adult Ed Programs
16 serving planning districts 1, 2 and 3 which cover 16
17 Southwest Virginia jurisdictions, providing scholarships for on
18 demand computer based GED practice tests and on demand
19 testing readiness assessment at 68 adult education classes
20 staffed by highly qualified certified teachers and scholarships
21 for on demand, computer based GED testing and this is
22 staffed by local school districts. New to this application is
23 funding for career readiness certificate attainment, we done it
24 multiple times over the last 10 or 12 years and that's the
25 funding for the career readiness certificate attainment, a

1 portable credential based upon work keys assessment. Since
2 the initial Tobacco Commission grant to this regional
3 partnership in 2004, a total of \$1.15 million has been awarded
4 through 9 grants to the Race for GED Project. The current
5 grant is winding down and is expected to expire next month.
6 As stated in previous years by staff, the repeated funding of
7 this program could be construed as contrary to our policies
8 regarding limited start up period funding but we would argue
9 it's more akin to providing annual financial aid support as we
10 do through the community college and undergraduate
11 scholarship programs, in this case, targeted to the chronically
12 high number of individuals who at some point have left the
13 public education system short of receiving a high school
14 diploma.

15 The previous application showed 16,738 people
16 tested since 2004 and 12,036 passing those tests, an 80%
17 pass rate. This current proposal seeks funds to continue to
18 provide computer based GED testing and related practice
19 testing. Additional aspects of this proposal was the addition of
20 the National External Diploma Program Testing and Career
21 Readiness Certificate Assessments. Matching funds totally
22 \$360,000 are committed for three years from each of the three
23 participating regional adult education programs for instruction
24 leading up to the testing. Given the need for extensions on
25 previous grants to fully utilize awarded funds, staff is

1 recommending a modest reduction to the requested amount in
2 order to fully utilize funds in the standard three-year project
3 period. The staff therefore is recommending approval of
4 \$175,000.

5 SENATOR RUFF: Does anyone want to speak to
6 this?

7 DELEGATE WRIGHT: Haven't we had requests like
8 this before?

9 MR. FEINMAN: Yes, we have funded GED Programs
10 in the past.

11 MR. PHOFL: Yes, the Southwest Regional one we've
12 done 9 grants totaling \$1.1 million. We've also provided
13 funding to Franklin County Education Center and Southside
14 Community College which conducts similar programs in
15 southern Virginia. I don't have the total number of grants or
16 dollars for that at hand.

17 DELEGATE WRIGHT: I was just curious but I think
18 this is an excellent program.

19 MS. ALLEN: I'm Linda Allen, Shirley Kaufman and
20 Rebecca Cox representing the three planning districts in
21 Southwest Virginia. We're privileged to be here today and say
22 to you, thank you. You've helped us to be a better program
23 and a program that helps serve the under educated and to
24 help them get their basic certification so they can be ready to
25 go in the workforce. We have a very dedicated staff who work

1 very hard and are committed to our people in Southwest
2 Virginia. To me that helps to help reach that certification and
3 get ready for work. We just wanted to come before you today
4 and thank you for your continuing support. We will continue
5 to work.

6 SENATOR RUFF: Your funding, what other funding
7 do you all get?

8 MS. ALLEN: We get some federal funding and that's
9 the instructional side of the program.

10 SENATOR RUFF: Is that money focused on the
11 number of people?

12 MS. ALLEN: It's determined by the three percent of
13 the population that does not have a high school diploma. As
14 far as the GED testing without these funds, people in these
15 communities would have to come and pay \$120 per person.
16 We can't use the instructional money for testing. What the
17 means is that without this funding, we couldn't do online
18 testing and we'd have to wait until a group of five people were
19 ready to test. We have people trying to go to college and trying
20 to work and trying to get these jobs or respond to an ad in the
21 paper. You must have a credential. The beauty of what you're
22 doing for the community is the ability to respond very quickly
23 and get serious about it and come to the free classes and then
24 jump into testing and get the credential and have a pathway to
25 the community college.

1 SENATOR RUFF: Any questions? Thank you very
2 much.

3 MR. PHOFL: Next up is Southside Virginia
4 Community College Foundation maximizing efficiency and
5 workforce readiness training by request for \$135,000 with the
6 assistance from the Tobacco Commission the SVCC has
7 launched new initiatives and partnerships to prepare future
8 workers for occupations in high demand areas, including
9 welding, precision machining, electricity transmission,
10 transportation and information technology. The request would
11 support 50% of two new workforce career coach positions
12 during a two-year start up period to focus on increasing
13 enrollment to fill available capacity in five program areas.
14 There's a number of outcomes broken out for each of the
15 career tracts of welding, precision machining, powerline
16 workers, IT. The staff is of the opinion that even if partially
17 achieved in filling these empty seats at operating programs,
18 this will provide a significant number of additional students
19 receiving industry recognized credentials, as well as additional
20 tuition revenue to sustain the requested positions beyond the
21 start up. Where we're covering half of the cost of those
22 positions. Effective these two individuals will work across
23 SVCC's 10 county service area and will be tasked with filling
24 empty seats in existing programs at these facilities. The staff
25 recommends an approval of \$135,000 for this request.

1 SENATOR RUFF: Is there anyone that wishes to
2 speak to this?

3 UNIDENTIFIED: I'd be happy to answer any
4 questions.

5 SENATOR RUFF: Are there any questions? Then
6 move on.

7 MR. PHOFL: Southwest Virginia Area Health
8 Education Center is requesting \$200,000 for aligning health
9 professions education to community need, building a home-
10 grown workforce. This request seeks support to promote
11 health science careers to middle and high school students.
12 Funding would be used to develop and implement a minimum
13 of four summer camp programs each year for three years, a
14 total of 12 and 8 to 12 expos throughout the Southwest
15 Virginia service area. Commission funds are \$77,000 over
16 three years will be used for contractual services for
17 administrative expenses such as postage, printing, data
18 collection, accounting, et cetera. The application indicates
19 that four coordinators will be hired and that may be an
20 intended use of funds. Certifications that folks will receive are
21 Red Cross CPR, First Aid, HIPAA Privacy and Security
22 Certification and so forth. Over half the funds will be used for
23 scholarships for the AHEC Scholarship Program which is
24 being developed by the Virginia Health Workforce Development
25 Authority. No information was provided to indicate how many

1 students would be served or how this program would be
2 sustained beyond the three-year period of this grant. Fifty-
3 four thousand would be used to pay stipends, \$295 per
4 student to any student that completes the one week summer
5 camp. Six thousand would be used to pay honorariums to
6 volunteers assisting with the program. Matching funds are
7 largely in the existing AHEC operating expenses. Although
8 participants may receive the previously listed healthcare
9 credentials, it does not appear that any nationally recognized
10 workforce credentials which is the required outcome of this
11 program will be awarded. The staff certainly acknowledges
12 that these experiences can impact students career choices;
13 however, this proposal does not particularly align the
14 objectives of this program to provide post-secondary
15 employment credentials and the creation of a separate pot of
16 scholarship money that we have avoided creating multiple
17 duplicative scholarship opportunities when we're already
18 accomplishing that through the community colleges in
19 scholarship programs so staff recommends no award.

20 SENATOR RUFF: Anyone here wish to speak?

21 MR. MCKINNEY: My name is Sam McKinney. I'm
22 an executive director and basically an old shop teacher and I'd
23 like to point out a couple of things. I know this funding
24 provided by the Tobacco Commission and a lot of post-
25 secondary. But you don't get to the post-secondary, like I

1 said, through my experiences and a career technical director
2 and principal. I'd like to give you an example. When I was a
3 principal at the Chilhowie High School, the career center and
4 there was 100 students that went to the Chilhowie High
5 School; two or three would go into the military and about 15
6 go to a four year college; 20 would go to the community college
7 and out of that 40, maybe you'll have another 20 go into the
8 workforce, then you have 40 students from Chilhowie High
9 School or about 40% that have no clue what they want to do.
10 They just have no clue. Our proposal is to try to go back and
11 reach those kids when they're coming through high school and
12 middle school and give them some experience where they can
13 make these basic decisions.

14 Let me give you a great example. Two kids went to
15 Chilhowie High School and one young man came to the career
16 center and took a class called Introduction to Health and
17 Medical Science, loves it and gets CPR certification and gets
18 dual credit and ends up with a degree in Biology. He has an
19 opportunity to go to UVA and get in their nursing leadership
20 program. He didn't do that and the reason I know that is
21 because he's my son but because of the experiences he had,
22 the Introduction to Health and Medical Science class, he had
23 an opportunity to experience those things. He knew what he
24 wanted to do. Somethings didn't work out for him so he didn't
25 end up doing that. Another young lady in my son's class she

1 goes to the Chilhowie High School and takes complete
2 academics. Never goes outside the box and never experiences
3 anything outside that box, goes to Virginia Tech and goes to
4 work for Verizon in Charlotte. She goes to Charlotte and
5 works for Verizon for three years and miserable every second.
6 Now she's studying phlebotomy at a hospital in the Charlotte
7 area and she can go back and pay for her nursing degree.

8 Just two weeks ago, and I did try and let the staff
9 know and maybe some of the Board members know, we had
10 some 8th grade career expos at the Ridgeview Middle School
11 and the response we got from these 30 students and the
12 question was, why did you only take 30 students? Well, our
13 distinguished legislators in this room in 2009, you all made a
14 law that said by the years 2013 and 2014, that every 8th grade
15 student that would leave middle school would have an
16 academic and career plan. The academic and career plan that
17 you all required them to do and they may take this class or
18 that class. What AHEC is trying to do is give them some
19 experience on what to do. We took these 30 8th graders at the
20 Ridgeview Middle School and with a great partnership with
21 Mountain States, they brought in healthcare professionals
22 that actually worked with those kids. You can imagine 30 8th
23 graders putting on scrubs and things so they could suture up
24 a banana and you may think that sounds silly but you can
25 imagine the excitement of those 30 kids.

1 Now, I know what your focus is. I think we're
2 missing a great point here. We can talk about all these
3 wonderful things these folks back here have talked about but
4 if they don't have any experiences, they don't know about that
5 workforce readiness is important because they never
6 experienced anything like that. It's just like Bluefield College,
7 which by the way is a super fine institute and one of ya'll
8 asked about not meeting the goals as far as the number of
9 folks that are applying to the nursing program. That's
10 because no kids in Southwest Virginia have any experience on
11 what that's all about but that's what AHEC is about. Trying to
12 provide those kids with those experiences. If you talk about
13 whether it's manufacturing and you all are smarter than me
14 and I'm an old shop teacher but I would strongly advise that at
15 this AHEC Committee look at giving kids experience whether
16 they go to a welding shop and see what a welder does all day.
17 When we're able to do these kinds of things, and our economic
18 situation with the school system, we didn't get an opportunity
19 to send our kids out. Thank you.

20 SENATOR RUFF: Thank you.

21 MR. MCKINNEY: One other thing and then I'll shut
22 up. There was a similar grant like this by the Tobacco
23 Commission to Southern Virginia talking about recruiting of
24 nurses. But we feel at some point in time that we're going to
25 be able to build the healthcare in Southwest Virginia with all

1 this experience.

2 SENATOR RUFF: Any questions. Thank you.

3 MR. PHOFL: Southwest Virginia Higher Education
4 Center Foundation requesting \$190,000 to establish a Cisco
5 Network and Cyber Security Academy. The project will assist
6 the applicant with this project and will help establish this
7 through Old Dominion University partnering with Virginia
8 Highlands and Wytheville Community College and this will
9 help provide entry level training and mid-level training
10 through ODU with staff and will be contracted with ODU but
11 based in the Higher Ed Center at Southwest Virginia. All
12 Tobacco Commission funding will be used to purchase the
13 equipment necessary to establish the program and that will
14 have a variety of certifications and a variety of mid and high
15 level certifications as well as a Bachelor of Science Degree.
16 The outcomes and projections is 120 students expected to be
17 enrolled annually. As in the DCCC request, this would be a
18 significant addition to the infrastructure and capacity to train
19 tobacco region residents for the growing number of high
20 paying IT and Cyber Security positions available in the region,
21 as documented by the Higher Ed Center and is well
22 coordinated with the community college partners serving the I-
23 81 corridor in the Southwest region.

24 Staff recommends an award of \$190,000 contingent
25 on an executed MOU for program implementation between the

1 Higher Ed Center and ODU.

2 SENATOR RUFF: Questions? Let's go on then.

3 MR. PHOFL: Lastly and don't we all miss the days
4 when we got 45 education requests. Wytheville Community
5 College is requesting \$81,424 to purchase equipment to
6 modernize three existing programs at the college. The
7 equipment purchases for the IT, advanced manufacturing and
8 electrical programs will allow the college to offer credentials
9 that are not currently available. Because these credentials are
10 not included in the existing programs, there will not
11 necessarily be an increase in enrollment and individual
12 students may earn multiple certifications. This would result
13 in Greenlee Certification and we scratched our heads and said
14 what is that. Greenlee is a Textron company that recently
15 announced a relationship with the National Coalition of
16 Certification Centers to offer in-depth certifications in
17 electrician and building trade programs at community and
18 technical colleges across the country. Ultimately this modest
19 request will strengthen several programs across multiple in
20 demand career paths, and serve several hundreds of students
21 during the usual life of the equipment. Staff recommends an
22 approval of \$81,424.

23 SENATOR RUFF: Anybody feel compelled to speak
24 to that?

25 UNIDENTIFIED: I'm available to answer questions.

1 SENATOR RUFF: Any questions?

2 DELEGATE WRIGHT: I'd like to move that we
3 approve the staff recommendations in a block.

4 SENATOR RUFF: If there's an objection to anyone
5 as I go through the list, please say it and then we'll come back
6 to it. 3276, do you have an objection?

7 SENATOR CHAFIN: I do have an objection.

8 SENATOR RUFF: 3277, 3278, 3279, 3280 with the
9 change of 127, 472 as previously agreed to. 3273, 3274.

10 MR. MERRICK: Abstain.

11 SENATOR RUFF: 3281?

12 SENATOR CHAFIN: I object to that.

13 SENATOR RUFF: 3270.

14 MS. MYERS: Mr. Chairman, just for clarification of
15 the record to 3280 and I think you said it was 127,472, I think
16 it's 127,425.

17 MR. PHOFL: That was a misplacement of the
18 number. The correct amount is 127,475 for the DCC.

19 SENATOR RUFF: I appreciate that. 3282, 3272,
20 3283, 3284. That pulls four out. Any other discussion on the
21 block. All those in favor say aye. (Ayes). All opposed. (No
22 response). 3274 was pulled out of the block for the purposes
23 of an abstention. Does somebody else want to make that
24 motion?

25 DELEGATE WRIGHT: I move we accept the staff

1 recommendation.

2 MR. OWEN: Second.

3 SENATOR RUFF: Any objection? All in favor say
4 aye. (Ayes). Opposed. (No response). The next one is 3270. I
5 pulled that one out because I have concerns. GED is great but
6 I'm not sure how much we are advancing things. My thinking
7 is we should fund some but I don't feel comfortable with that
8 amount. Is there a motion for that one?

9 SENATOR CHAFIN: I so move.

10 MS. COLEMAN: I'll second it.

11 SENATOR RUFF: Any objection? All in favor say
12 aye. (Ayes). Opposed. (No response). The next one is 3276.

13 SENATOR CHAFIN: Mr. Chairman, I would ask or
14 make a motion that we table this until our meeting next week.
15 I'd like to have more information about this.

16 SENATOR RUFF: Any objections? We'll table it
17 until the Full Commission meeting.

18 MR. FEINMAN: Are we planning like a 15-minute
19 meeting? Stephanie can we do that?

20 SENATOR RUFF: All right, all those in favor say
21 aye. (Ayes). Opposed. (No response). All right, that takes us
22 to 3281, Mountain Empire Community College.

23 SENATOR CHAFIN: Mr. Chairman, I have the same
24 motion. I'd like to get additional information and try to get
25 some answers to questions that the staff had and with regard

1 to that issue, I'd like to come back and get those questions
2 answered and just table it in the meantime.

3 SENATOR RUFF: You realize each one of those is
4 going to take some time?

5 SENATOR CHAFIN: I realize that. I'm also mindful
6 of how much is out there.

7 SENATOR RUFF: All right. Is there a second to
8 that motion?

9 MS. COLEMAN: Second.

10 SENATOR RUFF: It's been properly moved and
11 seconded that we table this until 8:00 o'clock in the morning
12 until the day of the Full Commission meeting.

13 MR. MERRICK: I might add that the additional
14 information you might want; you might want to get some
15 information on how we'd fund it.

16 SENATOR RUFF: All in favor say aye. (Ayes).
17 Opposed. (No response).

18 DELEGATE WRIGHT: This particular application
19 concerns me based on what the staff said. There's no
20 assurances that jobs are going to be created and as well as
21 those facts and what the staff has said and I'm concerned it
22 might be exposing the Tobacco Commission to problems if
23 we're going against the staff recommendation that says there's
24 no assurance for jobs and that they'll be created and there's a
25 mention of no guarantees that even the credentials will be

1 recognized. That's the reason I'd be opposed to that motion.

2 SENATOR RUFF: I appreciate that and it sounds
3 reasonable to create a business and the reality to make 10,000
4 bolts considering those raw materials but the motion is to
5 table it until 8:00 o'clock in the morning of the 18th. All in
6 favor say aye. (Ayes). Opposed?

7 DELEGATE WRIGHT: No.

8 SENATOR RUFF: That completes our business.
9 Anybody in the public that wishes to make a statement?

10 MR. FEINMAN: This will be quick before lunch. I
11 want to draw the Committee's attention to the Executive
12 Committee. In your packet, this concerns the budget for the
13 Executive Committee. We have funded our scholarships and
14 whatever is left over for funding competitive education. Giving
15 the value and the workforce investment we make in
16 competitive education, in this proposed budget we created a
17 line item for competitive education depending on how much
18 funding we have coming in during this round. I think that's a
19 better practice moving forward.

20 SENATOR RUFF: All right, any further business?
21 Hearing none, we're adjourned.

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23 PROCEEDINGS CONCLUDED

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at large, do hereby certify that I was the court reporter who took down and transcribed the proceedings of the Tobacco Region Revitalization Commission Education Committee meeting when held on Wednesday, May 3, 2017 at 11:00 a.m. at the Hotel Roanoke and Conference Center, Roanoke, Virginia.

I further certify this is a true and accurate transcript to the best of my ability to hear and understand the proceedings.

Given under my hand this 8th day of May 2017.



Medford W. Howard, CCR
Registered Professional Reporter
Notary Registration Number: 224566
Notary Public for the State of Virginia at Large
MY COMMISSION EXPIRES: October 31, 2018